

**CARLTON TRAIL REGIONAL COLLEGE  
FINANCIAL STATEMENTS  
JUNE 30, 2014**

## INDEPENDENT AUDITORS' REPORT

To the Board  
Carlton Trail Regional College

We have audited the accompanying financial statements of Carlton Trail Regional College, which comprise the statements of financial position as at June 30, 2014, and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, including supporting schedules and a summary of significant accounting policies and other explanatory information.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

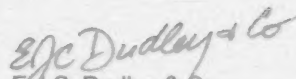
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements present fairly, in all material respects, the financial position of Carlton Trail Regional College as at June 30, 2014, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Wynyard, Saskatchewan  
September 11, 2014

  
E.J.C. Dudley & Co.  
Chartered Accountants

**Carlton Trail Regional College**  
**Statement of Financial Position**  
**as at June 30, 2014**

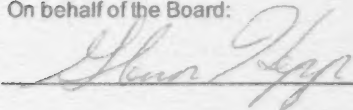
**Statement 1**

	June 30 2014	June 30 2013
<b>Financial Assets</b>		
Cash and cash equivalents (Note 3)	\$ 1,589,591	\$ 2,086,887
Accounts receivable (Note 4)	669,551	637,218
Inventories for resale (Note 5)	39,561	22,563
<b>Total Financial Assets</b>	<b>2,298,703</b>	<b>2,746,668</b>
<b>Liabilities</b>		
Accrued salaries and benefits (Note 6)	166,910	237,748
Accounts payable and accrued liabilities (Note 7)	235,277	163,981
Deferred revenue (Note 8)	43,152	144,360
Liability for employee future benefits (Note 9)	124,200	110,600
<b>Total Financial Liabilities</b>	<b>569,539</b>	<b>656,689</b>
<b>Net Financial Assets</b>	<b>1,729,164</b>	<b>2,089,979</b>
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 10)	4,840,858	4,766,823
Prepaid expenses (Note 11)	122,586	53,562
<b>Total Non-Financial Assets</b>	<b>4,963,444</b>	<b>4,820,385</b>
<b>Accumulated Surplus</b>	<b>\$ 6,692,608</b>	<b>\$ 6,910,364</b>
<b>Accumulated Surplus is comprised of:</b>		
Accumulated surplus from operations	\$ 6,692,608	\$ 6,910,364
<b>Total Accumulated Surplus</b>	<b>\$ 6,692,608</b>	<b>\$ 6,910,364</b>

Contractual Obligations and Commitments (Note 17)

*The accompanying notes and schedules are an integral part of these financial statements*

On behalf of the Board:



Chairperson



Chief Financial Officer

**Carlton Trail Regional College**  
**Statement of Operations and Accumulated Surplus**  
**for the year ended June 30, 2014**

**Statement 2**

	2014 Budget (Note 14)	2014 Actual	2013 Actual
<b>Revenues (Schedule 2)</b>			
Provincial government			
Grants	\$ 4,227,230	\$ 4,216,317	\$ 4,482,932
Other	830,630	857,131	1,040,202
Federal government			
Other	710,065	603,412	566,997
Other revenue			
Administrative recoveries	4,500	18,943	3,620
Contracts	396,500	339,624	402,854
Interest	24,000	29,423	26,378
Rents	-	2,053	3,679
Resale items	184,060	135,305	139,911
Tuition	1,087,815	957,810	887,594
Donations	-	128,734	8,392
Other	9,360	11,766	133,221
Total revenues	<u>7,474,160</u>	<u>7,300,518</u>	<u>7,695,780</u>
<b>Expenses (Schedule 3)</b>			
General	2,931,375	3,045,589	2,768,753
Skills training	2,559,960	2,221,821	2,005,317
Basic education	1,453,495	1,329,047	1,188,482
Services	888,330	856,439	923,119
University	-	-	-
Scholarships	-	65,378	5,000
Total expenses	<u>7,833,160</u>	<u>7,518,274</u>	<u>6,890,671</u>
Surplus (Deficit) for the Year from Operations	<u>(359,000)</u>	<u>(217,756)</u>	<u>805,109</u>
Accumulated Surplus, Beginning of Year	<u>6,105,255</u>	<u>6,910,364</u>	<u>6,105,255</u>
Accumulated Surplus, End of Year	<u><u>\$ 5,746,255</u></u>	<u><u>\$ 6,692,608</u></u>	<u><u>\$ 6,910,364</u></u>

*The accompanying notes and schedules are an integral part of these financial statements*

Carlton Trail Regional College  
Statement of Changes in Net Financial Assets  
as at June 30, 2014

Statement 3

	2014 Budget (Note 14)	2014 Actual	2013 Actual
Net Financial Assets, Beginning of Year	\$ 2,089,979	\$ 2,089,979	\$ 982,417
Surplus (Deficit) for the Year from Operations	(359,000)	(217,756)	805,109
Acquisition of tangible capital assets	(335,000)	(451,050)	(85,131)
Proceeds on disposal of tangible capital assets	-	-	115,000
Net loss (gain) on disposal of tangible capital assets	-	-	(114,400)
Amortization of tangible capital assets	359,000	377,015	357,541
Acquisition of prepaid expenses	(40,000)	(121,743)	(51,802)
Use of prepaid expenses	60,000	52,719	81,245
Change in Net Financial Assets	<u>(315,000)</u>	<u>(360,815)</u>	<u>1,107,562</u>
Net Financial Assets, End of Year	<u>\$ 1,774,979</u>	<u>\$ 1,729,164</u>	<u>\$ 2,089,979</u>

*The accompanying notes and schedules are an integral part of these financial statements*



**Carlton Trail Regional College  
Statement of Cash Flows  
for the year ended June 30, 2014**

**Statement 4**

	<u>2014</u>	<u>2013</u>
<b>Operating Activities</b>		
(Deficit) surplus for the year from operations	\$ (217,756)	\$ 805,109
Non-cash items included in surplus (deficit)		
Amortization of tangible capital assets	377,015	357,541
Net (gain) loss on disposal of tangible capital assets	-	(114,400)
Changes in non-cash working capital		
(Increase) in accounts receivable	(32,333)	(330,254)
(Increase) in inventories for resale	(16,998)	(1,433)
(Decrease) increase in accrued salaries and benefits	(70,838)	10,138
Increase (decrease) in accounts payable and accrued liabilities	71,296	(226,030)
(Decrease) in deferred revenue	(101,208)	(136,100)
Increase in Liability for Employee Future Benefits	13,600	12,200
(Increase) decrease in prepaid expenses	(69,024)	29,443
<b>Cash Provided by Operating Activities</b>	<u>(46,246)</u>	<u>406,214</u>
<b>Capital Activities</b>		
Cash used to acquire tangible capital assets	(451,050)	(85,131)
Proceeds on disposal of tangible capital assets	-	115,000
<b>Cash (Used) Provided by Capital Activities</b>	<u>(451,050)</u>	<u>29,869</u>
 (Decrease) increase in Cash and Cash equivalents	 (497,296)	 436,083
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>2,086,887</u>	<u>1,650,804</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><b>\$ 1,589,591</b></u>	<u><b>\$ 2,086,887</b></u>

*The accompanying notes and schedules are an integral part of these financial statements*

**CARLTON TRAIL REGIONAL COLLEGE**  
**Notes to the Financial Statements**  
**for the year ended June 30, 2014**

**1. PURPOSE AND AUTHORITY**

Carlton Trail Regional College (the College) was established by Saskatchewan Order in Council 22/89 dated February 16, 1989.

The College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. The College Board plays an integral part in strategic direction and management guidance.

The purpose of the Colleges is to provide credit and non-credit classroom and vocational training to meet the needs of regional constituents and industry. The College is exempt from the payment of income tax.

**2. SIGNIFICANT ACCOUNTING POLICIES**

As a government not-for-profit organization, the College prepared these financial statements in accordance with Canadian public sector accounting standards for government reporting entities, which it adopted for the June 30, 2013 financial statements. The accounting standards followed for government not-for-profit organizations is the Canadian Institute of Chartered Accountants (CICA) Public Sector Accounting (PSA) Handbook.

**(a) College Reporting Entity**

The financial statements include all of the assets, liabilities, revenues and expenses of the College reporting entity

**(b) Measurement Uncertainty and the Use of Estimates**

The preparation of financial statements in conformity with PSA standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Uncertainty in the determination of the amount at which an item is recognized or disclosed in financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

Measurement uncertainty that may be material to these financial statements exists for:

- the liability for employee future benefits of \$124,200 (June 30, 2013 - \$110,600) because actual experience may differ significantly from actuarial or historical estimations and assumptions;

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known. While best estimates are used for reporting items subject to measurement uncertainty, it is reasonably possible that changes in future conditions, occurring within one fiscal year, could require material changes in the amounts recognized or disclosed.

### **(c) Financial Instruments**

Financial instruments create rights and obligations to receive or deliver economic benefits. Financial instruments include cash and cash equivalents, accounts receivable, accrued salaries and benefits, accounts payable and accrued liabilities.

Financial instruments are assigned to one of two measurement categories: fair value, or cost or amortized cost.

#### **i) Fair Value**

Fair value measurement applies to portfolio investments in equity instruments that are quoted in an active market.

#### **ii) Cost or Amortized Cost**

All other financial assets and financial liabilities are measured at cost or amortized cost. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Loans and receivables are measured at amortized cost. Due to their short-term nature, the amortized cost of these instruments approximates their fair value.

### **(d) Financial Assets**

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Valuation allowances are used where considered necessary to reduce the amounts reported for financial assets to their net realizable value.

**Cash and Cash Equivalents** consist of cash, bank deposits and highly liquid investments with initial maturity terms of three months or less and held for the purpose of meeting short-term operating cash commitments rather than for investing purposes.



**Accounts Receivable** are shown net of allowance for doubtful accounts to reflect their expected net recoverable value. Valuation allowances are recorded where recovery is considered uncertain. Changes in valuation allowances are recorded in the statement of operations.

**Inventories for Resale** consist of textbooks and course materials, which are held for sale in the ordinary course of operations and are valued at the lower of cost and net realizable value. Cost is determined average cost method. Net realizable value is the estimated selling price in the ordinary course of business.

#### **(e) Liabilities**

Liabilities are present obligations arising from transactions and events occurring prior to year-end, which will be satisfied in the future through the use of assets or another form of economic settlement.

**Bank indebtedness** is comprised of bank overdraft and short-term loans with initial maturities of one year or less, incurred for the purpose of financing current expenses.

**Accrued Salaries and Benefits** represents salaries and benefits owing to or on behalf of work performed by employees, but not yet paid, at the end of the fiscal period. Amounts are payable within one year.

**Accounts Payable and Accrued Liabilities** include accounts payable and accrued liabilities owing to third parties for goods supplied and services rendered, but not yet paid, at the end of the fiscal period. Amounts are payable within one year.

**Deferred revenue** from government transfers represents restricted grants with stipulations that give rise to a liability. The revenue is recognized as the stipulation liabilities are settled. Deferred revenue from non-government sources represents revenue related to fees or services received in advance of the fee being earned or the services being performed, and other contributions for which the contributor has placed restrictions on the use of the resources. Tuition and fee revenue is recognized as the course is delivered, revenue from contractual services is recognized as the services are delivered, and revenue from other contributions is recognized in the fiscal year in which the resources are used for the purpose specified.

**Liability for Employee Future Benefits** represents accumulating non-vesting sick leave benefits that accrue to the College's employees. The cost of these benefits is recorded as the benefits are earned by employees. The liability relating to these benefits is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of expected sick

leave usage, discount rate, inflation, salary escalation, termination and retirement rates and mortality. Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups. Actuarial valuations are performed periodically. Extrapolations of these valuations are made when a valuation is not done in the current fiscal year.

**Long-Term Debt** is comprised of capital loans and other long-term debt with initial maturities of more than one year. Long-term debt also includes capital lease obligations where substantially all of the benefits and risks incident to ownership are transferred to the College without necessarily transferring legal ownership. The amount of the lease liability recorded at the beginning of the lease term is the present value of the minimum lease payments, excluding the portion thereof relating to executory costs.

**(f) Non-Financial Assets**

Non-financial assets are assets held for consumption in the provision of services. These assets do not normally provide resources to discharge the liabilities of the College unless they are sold.

**Tangible Capital Assets** have useful lives extending beyond the accounting period, are used by the College to provide services to the public and are not intended for sale in the ordinary course of operations. Tangible capital assets are recorded at cost and include all costs directly attributable to the acquisition, design, construction, development, installation and betterment of the tangible capital asset.

The cost of depreciable tangible capital assets, net of any residual value, is amortized on a straight line-basis over their estimated useful lives as follows:

Buildings	20 years
Furniture and equipment	3 to 5 years
Computer hardware	5 years
Computer software	5 years
Vehicles	5 years
Leasehold improvements	Term of lease or useful life
Leased capital assets	Term of lease or useful life

Write-downs are accounted for as expenses in the statement of operations.

**Prepaid Expenses** are prepaid amounts for goods or services, which will provide economic benefits in one or more future periods. The prepaid amount is recognized as an expense in the year the goods or services are consumed.

#### **(g) Employee Pension Plans**

##### **Multi-Employer Defined Benefit Plans**

The College's employees participate in one of the following multi-employer defined benefit plans:

- i) Teachers and other employees holding a teaching certificate participate in either the retirement plan of the Saskatchewan Teachers' Retirement Plan (STRP) or Saskatchewan Teachers' Superannuation Plan (STSP). The College's obligation for these plans is limited to collecting and remitting contributions of the employees at rates determined by the plans.
- ii) Other employees participate in the Municipal Employees' Pension Plan (MEPP). In accordance with PSA standards, the plan is accounted for as a defined contribution plan whereby the College's contributions are expensed when due.

#### **(h) Revenue Recognition**

Revenues are recorded on the accrual basis. Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues, provided the amount to be received can be reasonably estimated and collection is reasonably assured.

The College's major sources of revenue include the following:

- i) **Government Transfers (Grants)**  
Grants from governments are considered to be government transfers. Government transfers are recognized as revenues when the transfer is authorized, all eligibility criteria have been met, the amount can be estimated and collection is reasonably assured except when, and to the extent, stipulations by the transferor give rise to an obligation that meets the definition of a liability.
- ii) **Fees and Services**  
Revenues from tuition fees and other services are recognized in the year they are earned. Amounts that are restricted pursuant to legislation, regulation or agreements with external parties that may only be used in the conduct of certain programs or in the delivery of specific services and transactions are initially recorded as deferred revenue and subsequently recognized as revenue in the fiscal year the related expenses are incurred or services are performed.
- iii) **Interest Income**  
Interest is recognized on an accrual basis when it is earned.
- iv) **Other (Non-Government Transfer) Contributions**

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the College if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions that are to be held in perpetuity are recognized as revenue in the year in which they are received or committed if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions that are not held in perpetuity are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

**(i) Expenses**

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

**(j) Contingent liabilities**

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

**3. CASH AND CASH EQUIVALENTS**

Due to the short-term nature of the investments, market value of cash and cash equivalents approximates cost.

	June 30 2014	June 30 2013
Cash and bank deposits	\$ 1,589,591	\$ 2,086,887
Cash and cash equivalents	\$ 1,589,591	\$ 2,086,887

**4. ACCOUNTS RECEIVABLE**

All accounts receivable presented on the statement of financial position are net of any valuation allowances for doubtful accounts.

	June 30 2014	June 30 2013
<i>(provide details as appropriate)</i>		
Provincial government		
Advanced Education/Economy	\$ 374,308	\$ 441,574
Other	55,484	62,494
Federal government	108,974	62,741
Other receivables	143,976	84,159
	682,742	650,968
Less: Allowance for doubtful accounts	(13,191)	(13,750)
Accounts receivable, net of allowances	\$ 669,551	\$ 637,218

## 5. INVENTORIES FOR RESALE

	June 30 2014	June 30 2013
Text books and course materials	\$ 39,561	\$ 22,563
	-	-
Inventories for resale	\$ 39,561	\$ 22,563

## 6. ACCRUED SALARIES AND BENEFITS

	June 30 2014	June 30 2013
Accrued salaries	\$ -	\$ 41,557
Accrued employee benefits	8,721	5,722
Accrued retro	-	45,931
Accrued vacation pay	158,189	144,538
Accrued salaries and benefits	\$ 166,910	\$ 237,748

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30 2014	June 30 2013
Trade Payables	\$ 235,277	\$ 163,981
	-	-
Accounts payable and accrued liabilities	\$ 235,277	\$ 163,981



## 8. DEFERRED REVENUE

	June 30 2013	Addition during the year	Revenue recognized the year	in	June 30 2014
Other deferred revenue:					
First Nations	\$ 102,526	\$ 97,700	\$ 157,074	\$	43,152
Heavy Equipment Operator Tuition	41,834	-	41,834	-	-
Deferred revenue	\$ 144,360	\$ 97,700	\$ 198,908	\$	43,152

## 9. LIABILITY FOR EMPLOYEE FUTURE BENEFITS

The College provides certain post-employment, compensated absence and termination benefits to its employees. These benefits include accumulating non-vested sick leave. The liability associated with these benefits is calculated as the present value of expected future payments pro-rated for service and is recorded as Liability for Employee Future Benefits in the statement of financial position.

Details of the employee future benefits are as follows:

	June 30 2014	June 30 2013
Actuarial valuation date	30-Jun-12	
Long-term assumptions used:		
Salary escalation rate (percentage)	1.75%	1.50%
Discount rate (percentage)	2.80%	2.80%
Expected average remaining service life (years)	11.4	11.4

	June 30 2014	June 30 2013
<b>Liability for Employee Future Benefits</b>		
Accrued Benefit Obligation - beginning of year	\$ 110,600	\$ 98,400
Current period benefit cost	28,700	28,300
Interest cost	3,300	2,600
Benefit payments	(18,600)	(19,100)
Actuarial gains / losses	1,200	1,400
Plan amendments	200	400
Accrued Benefit Obligation - end of year	125,400	112,000
Unamortized Net Actuarial Gains / Losses	(1,200)	(1,400)
Liability for Employee Future Benefits	\$ 124,200	\$ 110,600

	June 30 2014	June 30 2013
<b>Employee Future Benefits Expense</b>		
Current period benefit cost	\$ 28,700	\$ 28,300
Amortization of net actuarial gain / loss	200	400
Plan amendments		
Benefit cost	28,900	28,700
Interest cost on unfunded employee future benefits obligation	3,300	2,600
Total Employee Future Benefits Expense	\$ 32,200	\$ 31,300

## 10. TANGIBLE CAPITAL ASSETS

	Buildings	Machinery and Equipment	Office Equipment	Office Furniture	Vehicles	Leasehold Improv	Work in Progress	2014	2013
<b>Tangible Capital Assets - at Cost:</b>									
Opening Balance at Start of Year	\$ 832,239	\$ 426,329	\$ 973,483	\$ 267,049	\$ 49,304	\$ 4,619,531	\$ 22,596	\$ 7,190,530	\$ 7,237,285
Additions/Purchases	17,579		6,789	56,803	71,268		298,612	451,051	85,131
Disposals								-	(131,886)
Write-Downs								-	
Transfers to (from)						321,207	(321,207)		
Closing Balance at End of Year	849,818	426,329	980,272	323,852	120,572	4,940,738	-	7,641,581	7,190,530
<b>Tangible Capital Assets - Amortization:</b>									
Opening Balance at Start of Year	340,781	394,303	899,074	100,658	39,716	649,175		2,423,707	2,197,452
Amortization of the Period	43,077	15,707	43,103	24,544	20,873	229,712		377,016	357,541
Disposals								-	(131,286)
Write-Downs								-	
Closing Balance at End of Year	383,858	410,010	942,177	125,202	60,589	878,887	N/A	2,800,723	2,423,707
<b>Net Book Value:</b>									
Opening Balance at Start of Year	491,458	32,026	74,409	166,391	9,588	3,970,356	22,595	4,766,823	5,039,833
Closing Balance at End of Year	465,960	16,319	38,095	198,650	59,983	4,061,851	-	4,840,858	4,766,823
Change in Net Book Value	(25,498)	(15,707)	(36,314)	32,259	50,395	91,495	(22,595)	74,035	(273,010)
<b>Disposals:</b>									
Historical Cost								-	131,886
Accumulated Amortization								-	131,286
Net Cost	-	-	-	-	-	-	-	-	600
Price of Sale								-	115,000
Gain (Loss) on Disposal	-	-	-	-	-	-	-	-	114,400
<b>Net Book Value (NBV) of Assets</b>									
Pledged as Security for Debt	-	-	-	-	-	-	-	-	-

## 11. PREPAID EXPENSES

	June 30 2014	June 30 2013
Rent	\$13,074	\$ 9,339
Agency Contracts	63,398	28,884
Photocopiers	14,948	8,554
Vehicle extended warranties	677	1,760
Other	10,489	5,025
Prepaid expenses	\$ 122,586	\$ 53,562

## 12. EMPLOYEE PENSION PLANS

### Multi-Employer Defined Benefit Plans

Information on the multi-employer pension plans to which the College contributes is as follows:

- i) Saskatchewan Teachers' Retirement Plan (STRP) or Saskatchewan Teachers' Superannuation Plan (STSP):

The STRP and STSP provide retirement benefits based on length of service and pensionable earnings.

The STRP and STSP are funded by contributions by the participating employee members and the Government of Saskatchewan. The College's obligation to the STRP and STSP is limited to collecting and remitting contributions of the employees at rates determined by the plans. Accordingly, these financial statements do not include any expense for employer contributions to these plans. Net pension assets or liabilities for these plans are not reflected in these financial statements as ultimate responsibility for retirement benefits rests with the Saskatchewan Teachers' Federation for the STRP and with the Government of Saskatchewan for the STSP.

Details of the contributions to these plans for the College's employees are as follows:

	2014			2013
	STRP	STSP	TOTAL	TOTAL
Number of active College members	3	1	4	4
Member contribution rate (percentage of salary)	8.33%	6.93%	8.33%/6.93%	8.33% / 6.93%
Member contributions for the year	\$ 15,832	\$ 108	\$ 15,940	\$ 20,241

## ii) Municipal Employees' Pension Plan (MEPP)

The MEPP provides retirement benefits based on length of service and pensionable earnings.

The MEPP is funded by employer and employee contributions at rates set by the Municipal Employees' Pension Commission.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. Any actuarially determined deficiency is the responsibility of the participating employers and employees which could affect future contribution rates and/or benefits.

The contributions to the MEPP by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. As a result, individual employers are not able to identify their share of the underlying assets and liabilities, and the net pension assets or liabilities for this plan are not recognized in these financial statements. In accordance with PSA standards, the plan is accounted for as a defined contribution plan whereby the College's contributions are expensed when due.

Details of the MEPP are as follows:

	2014	2013
Number of active College members	73	69
Member contribution rate (percentage of salary)	8.15%	7.4% / 8.15%
College contribution rate (percentage of salary)	8.15%	7.4% / 8.15%
Member contributions for the year	\$ 219,888	\$ 182,754
College contributions for the year	\$ 219,888	\$ 182,754

### Defined Contribution Plans

The self-directed RRSP is funded equally by Staff and College. Contribution rates are the same as MEPP. Plan benefits are based on accumulated contributions and investment earnings. Under the plan, the College's obligations are limited to its contributions.

Details of the plan are as follows:

	2014	2013
Number of active College members	1	2
Member contribution rate (percentage of salary)	8.15%	7.4% / 8.15%
College contribution rate (percentage of salary)	8.15%	7.4% / 8.15%
Member contributions for the year	\$10,867	\$9,899
College contributions for the year	\$10,867	\$9,899

Rate increased January 1, 2013 to 8.15% from 7.4%.

## 13. RISK MANAGEMENT

The College is exposed to financial risks from its financial assets and liabilities. These risks include credit risk, liquidity risk and market risk (consisting of interest rate risk and foreign exchange risk).

### i) Credit Risk

Credit risk is the risk to the College from potential non-payment of accounts receivable. The credit risk related to the College's receivables from the provincial government, federal government and their agencies are considered to be minimal. The College does not have a significant exposure to any individual customer. Management reviews accounts receivable on a case by case basis to determine if a valuation allowance is necessary to reflect an impairment in collectability.

The aging of accounts receivable at June 30, 2014, and June 30, 2013, was:

	June 30, 2014		June 30, 2013	
	Accounts Receivable	Allowance of Doubtful Accounts	Accounts Receivable	Allowance of Doubtful Accounts
Current	\$ 560,604	\$ -	\$ 625,735	\$ -
0-30 days	-	-	-	-
30-60 days	6,282	-	(2,247)	-
60-90 days	(1,590)	-	16,710	-
Over 90 days	117,446	13,191	10,770	13,750
Total	\$ 682,742	\$ 13,191	\$ 650,968	\$ 13,750
Net		\$ 669,551		\$ 637,218

## ii) Liquidity Risk

Liquidity risk is the risk that the College will not be able to meet its financial obligations as they come due. The College manages liquidity risk by maintaining adequate cash balances, budget practices and providing forecasts to the Board on a quarterly basis.

The following table sets out the contractual maturities of the College's financial liabilities:

	June 30, 2014	
	Within 6 months	6 months to 1 year
Accrued salaries and benefits	\$ 66,764	\$ 100,146
Accounts payable and accrued liabilities	\$ 209,631	\$ 5,896
Total	\$ 276,395	\$ 106,042

## iii) Market Risk

The College is exposed to market risks with respect to interest rates and foreign currency exchange rates, as follows:

### Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The College's interest rate exposure relates to cash and cash equivalents and credit cards. The College also has an authorized bank line of credit of \$100,000 with interest payable monthly at a rate of Royal Bank of Canada prime less 0.6%. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. There was no balance outstanding on this credit facility as of June 30, 2014.



#### **14. BUDGET FIGURES**

Budget figures included in the financial statements were approved by the Board on May 21, 2013, and the Minister of Advanced Education on July 11, 2013. The budget figures are unaudited.

#### **15. RELATED PARTIES**

These financial statements include transactions with related parties. The College is related to all Government of Saskatchewan ministries, agencies, boards, school divisions, health authorities, colleges and crown corporations under the common control of the Government of Saskatchewan. The College is also related to non-Crown enterprises that the Government jointly controls or significantly influences. In addition, the College is related to other non-Government organizations by virtue of its economic interest in these organizations.

##### **(a) Related Party Transactions:**

Transactions with these related parties are in the normal course of operations. Amounts due to or from and the recorded amounts of transactions resulting from these transactions are included in the financial statements and the table below.

	June 30 2014	June 30 2013
<b>Revenues:</b>		
Career and Employment Services	433,665	-
Horizon School Division #205	232,132	286,153
Lakeview Pioneer Lodge	-	10,000
Ministry of Advanced Education/Economy	3,909,880	5,209,484
Ministry of Finance	31	106
Other Regional Colleges	13,305	19,650
Saskatchewan Advantage Scholarships	16,337	-
Saskatoon Health Region	9,192	2,322
SIASST	787	32,400
Other Related Parties	80,444	11,615
	<b>\$ 4,695,773</b>	<b>\$ 5,571,730</b>
<b>Expenses:</b>		
Association of Saskatchewan Regional Colleges	\$ 68,078	\$ 66,000
Horizon School Division #205	58,275	307,566
Ministry of Central Services	48,637	47,989
Ministry of Finance	6,041	12,645
SaskEnergy	8,004	10,056
SaskPower	15,310	12,812
SaskTel / Sask Mobility	47,928	47,912
Saskatchewan Tourisn Educational Council	-	29,340
Saskatchewan Workers Compensation Board	20,465	6,905
SIASST	658,164	444,666
SIIT	5,670	14,201
University of Regina	10,000	21,237
Other Related Parties	21,402	25,527
	<b>\$ 967,974</b>	<b>\$ 1,046,856</b>

In addition, the College pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases and customer sales on items that are deemed taxable. Taxes paid are recorded as part of the cost of those purchases.

The College receives long distance telephone services between major centers from SaskTel, a related party, at reduced rates available to Government agencies.

## 16. ACCUMULATED SURPLUS

Accumulated surplus represents the financial assets and non-financial assets of the College less liabilities. This represents the accumulated balance of net surplus arising from the operations of the College and accumulated net remeasurement gains and losses.

Certain amounts of the accumulated operating surplus, as approved by the Board, have been designated for specific future purposes. These internally restricted amounts are included in the accumulated surplus presented in the statement of financial position. Accumulated surplus from operations also includes externally restricted contributions for which the contributor has placed restrictions that the resources be held in perpetuity.

The College does not maintain separate bank accounts for the internally restricted amounts and/or externally restricted resources to be held in perpetuity.

Details of accumulated surplus are as follows:

	June 30 2013	Addition during the year	Reductions during the year	June 30 2014
<b>Invested in Tangible Capital Assets:</b>				
Net Book Value of Tangible Capital Assets	\$ 4,766,823	\$ 451,050	\$ 377,015	\$ 4,840,858
Less: Debt owing on Tangible Capital Assets				-
	<u>4,766,823</u>	<u>451,050</u>	<u>377,015</u>	<u>4,840,858</u>
<b>Internally Restricted Operating Surplus:</b>				
<b>Capital projects:</b>				
Humboldt Education Centre - Electronic Sign	-	75,000	-	75,000
Waiouru Practical Nursing build outs	215,000	-	215,000	-
Welding Shop fire alarm	20,000	-	20,000	-
Sustaining Capital Funding	16,000	20,000	16,000	20,000
	<u>251,000</u>	<u>95,000</u>	<u>251,000</u>	<u>95,000</u>
<b>Other:</b>				
Information Technology	75,000	-	-	75,000
Online registration/content management software	50,000	-	-	50,000
Learning Enhanced Technology	25,000	-	-	25,000
Professional Development	47,341	4,166	-	51,507
Facilities	31,780	-	-	31,780
SLT furnishings	25,000	-	25,000	-
Marketing wrap for vehicles	5,000	-	5,000	-
Vehicles	115,000	15,000	71,268	58,732
Scholarship	-	250,424	-	250,424
Other (targeted programming funds)				-
Learner support costs				-
- EAPD funding	10,000	-	-	10,000
- Learning Specialist	15,000	-	-	15,000
- LMA Funding	38,085	-	-	38,085
Programming				-
- Early Childhood Education	94,279	-	1,440	92,839
- English as a Second Language	44,154	43,490	-	87,644
- SIAST deferred revenue	15,430	-	15,430	-
- Skills Training Allocation	607,286	-	161,265	446,021
- ABE Credit	84,585	-	-	84,585
- ABE on Reserve	59,250	-	-	59,250
	<u>1,342,190</u>	<u>313,080</u>	<u>279,403</u>	<u>1,375,867</u>
<b>Unrestricted Operating Surplus</b>	<u>550,351</u>	<u>-</u>	<u>169,468</u>	<u>380,883</u>
<b>Total Accumulated Surplus</b>	<b>\$ 6,910,364</b>	<b>\$ 859,130</b>	<b>\$ 1,076,886</b>	<b>\$ 6,692,608</b>

## 17. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

	Operating Leases			
	Office Rental	Copier Leases	(Other - Vehicle)	Total Operating
Future minimum lease payments:				
2015	\$ 132,266	\$ 12,169	\$ 1,519	\$ 145,954
2016	130,945	12,169		143,114
2017	130,945	12,169		143,114
2018	102,072	12,169		114,241
2019	102,072			102,072
Thereafter				-
	598,300	48,676	1,519	648,495
Interest and executory costs	-	-	-	-
<b>Total Lease Obligations</b>	<b>\$ 598,300</b>	<b>\$ 48,676</b>	<b>\$ 1,519</b>	<b>\$ 648,495</b>

**Carlton Trail Regional College**  
**Schedule of Revenues and Expenses by Function**  
**for the year ended June 30, 2014**

Schedule 1

	General	2014 Actual						Scholarships	2014	2014	2013
		Skills Training		Basic Education		Services			Actual	Budget	Actual
		Credit	Non-credit	Credit	Non-credit	Learner Support	Counsel				
<b>Revenues (Schedule 2)</b>											
Provincial government	\$ 2,236,856	\$ 1,135,158	\$ -	\$ 527,000	\$ 849,106	\$ 111,385	\$ 159,106	\$ 54,837	\$ 5,073,448	\$ 5,057,860	\$ 5,523,134
Federal government	2,401	-	-	-	160,010	441,001	-	-	603,412	710,065	566,997
Other	38,320	1,143,731	89,084	104,240	75,004	12,113	12,798	148,368	1,623,658	1,706,235	1,605,649
Total Revenues	2,277,577	2,278,889	89,084	631,240	1,084,120	564,499	171,904	203,205	7,300,518	7,474,160	7,695,780
<b>Expenses (Schedule 3)</b>											
Agency contracts	-	681,744	30,654	-	62,875	6,940	-	-	782,213	761,240	717,453
Amortization	377,015	-	-	-	-	-	-	-	377,015	395,000	357,541
Equipment	108,467	122,646	37	41,911	6,714	1,124	6,675	-	287,574	158,440	175,314
Facilities	99,866	151,157	860	45,602	7,267	-	-	-	304,752	328,650	283,763
Information technology	24,023	1,828	430	989	113	15,619	54	-	43,056	77,150	49,702
Operating	497,763	268,104	7,982	65,126	90,899	11,490	11,431	65,378	1,018,173	1,088,835	827,106
Personal services	1,938,455	931,721	24,658	520,189	487,362	631,015	172,091	-	4,705,491	5,025,845	4,479,792
Total Expenses	3,045,589	2,157,200	64,621	673,817	655,230	666,188	190,251	65,378	7,518,274	7,833,160	6,890,671
<b>Surplus (Deficit)</b>											
for the year	\$ (768,012)	\$ 121,689	\$ 24,463	\$ (42,577)	\$ 428,890	\$ (101,689)	\$ (18,347)	\$ 137,827	\$ (217,756)	\$ (359,000)	\$ 805,109



## Schedule 2

Carlton Trail Regional College  
Schedule of Revenues by Function  
for the year ended June 30, 2014

	General	2014 Revenues Actual						Scholarships	2014	2014	2013
		Skills Training		Basic Education		Services			Total	Total	Total
		Credit	Non-credit	Credit	Non-credit	Learner Support	Counsel		Revenues Actual	Revenues Budget	Revenues Actual
Provincial Government											
Advanced Education/ Economy											
Operating grants	\$ 2,216,325	\$ -	\$ -	\$ -	\$ -	\$ 100,585	\$ 132,090	\$ -	\$ 2,449,000	\$ 2,448,165	\$ 2,400,300
Program grants	-	1,040,397	-	346,809	360,111	-	-	-	1,747,317	1,743,065	1,946,632
Capital grants	20,000	-	-	-	-	-	-	-	20,000	36,000	136,000
	2,236,325	1,040,397	-	346,809	360,111	100,585	132,090	-	4,216,317	4,227,230	4,482,932
Contracts	-	-	-	-	438,803	-	27,016	-	465,819	300,000	540,254
Other	-	-	-	-	-	-	-	36,500	36,500	-	73,000
	2,236,325	1,040,397	-	346,809	798,914	100,585	159,106	36,500	4,718,636	4,527,230	5,096,186
Other provincial	531	94,761	-	180,191	50,192	10,800	-	18,337	354,812	530,630	426,948
Total Provincial	2,236,856	1,135,158	-	527,000	849,106	111,385	159,106	54,837	5,073,448	5,057,860	5,523,134
Federal Government											
Rents	2,400	-	-	-	-	-	-	-	2,400	-	4,850
Contracts	1	-	-	-	160,010	441,001	-	-	601,012	710,065	562,147
Total Federal	2,401	-	-	-	160,010	441,001	-	-	603,412	710,065	566,997
Other Revenue											
Admin recovery	2,334	1,077	182	-	-	-	-	15,350	18,943	4,500	3,620
Contracts	5,000	121,314	28,619	100,827	72,964	-	10,900	-	339,624	396,500	402,854
Interest	26,907	-	-	-	-	-	-	2,516	29,423	24,000	26,378
Rents	340	1,608	-	-	-	105	-	-	2,053	-	3,679
Resale items	-	127,995	4,724	168	520	-	1,898	-	135,305	184,060	139,911
Tuitions	-	887,868	55,559	1,055	1,320	12,008	-	-	957,810	1,087,815	887,594
Donations	-	-	-	-	-	-	-	128,734	128,734	-	8,392
Other	3,739	3,869	-	2,190	200	-	-	1,768	11,766	9,360	133,221
Total Other	38,320	1,143,731	89,084	104,240	75,004	12,113	12,798	148,368	1,623,658	1,706,235	1,605,649
Total Revenues	\$ 2,277,577	\$ 2,278,889	\$ 89,084	\$ 631,240	\$ 1,084,120	\$ 564,499	\$ 171,904	\$ 203,205	\$ 7,300,518	\$ 7,474,160	\$ 7,695,780

Carlton Trail Regional College  
Schedule of Expenses by Function  
for the year ended June 30, 2014

	2014 Expenses Actual								2014	2014	2013
	General (Schedule 4)	Skills Training		Basic Education		Services		Scholarships	Total	Total	Total
		Credit	Non-credit	Credit	Non-credit	Learner Support	Counsel	Expenses Actual	Expenses Budget	Expenses Actual	
Agency Contracts											
Contracts	\$ -	\$ 681,015	\$ 30,654	\$ -	\$ 62,875	\$ 6,940	\$ -	\$ -	\$ 781,484	\$ 697,335	\$ 716,263
Instructors	-	729	-	-	-	-	-	-	729	63,905	1,190
	-	681,744	30,654	-	62,875	6,940	-	-	782,213	761,240	717,453
Amortization	377,015	-	-	-	-	-	-	-	377,015	395,000	357,541
Equipment											
Equipment (non-capital)	33,681	55,311	37	37,902	6,714	1,124	-	-	134,769	20,700	52,950
Rental	45,492	64,750	-	3,611	-	-	-	-	113,853	104,600	82,793
Repairs and maintenance	29,294	2,585	-	398	-	-	6,675	-	38,952	31,140	39,571
	108,467	122,646	37	41,911	6,714	1,124	6,675	-	287,574	156,440	175,314
Facilities											
Building supplies	550	2,266	-	1,445	283	-	-	-	4,544	7,175	5,424
Grounds	2,438	5,042	-	539	42	-	-	-	8,061	1,860	5,941
Janitorial	20,813	26,137	-	6,198	-	-	-	-	53,148	48,270	51,224
Rental	54,590	90,068	860	34,205	6,910	-	-	-	186,633	227,270	113,172
Repairs & maintenance building	19,335	5,250	-	580	32	-	-	-	25,197	22,395	80,717
Utilities	2,140	22,394	-	2,635	-	-	-	-	27,169	21,680	27,285
	99,866	151,157	860	45,602	7,267	-	-	-	304,752	328,650	283,763
Information Technology											
Computer services	9,528	53	-	-	-	12,027	-	-	21,608	17,500	28,300
Data communications	1,367	-	-	-	-	761	-	-	2,128	850	785
Equipment (non-capital)	5,557	683	430	298	-	674	-	-	7,642	32,490	6,025
Materials & supplies	3,196	499	-	72	113	27	54	-	3,961	7,400	4,083
Rental	509	-	-	-	-	-	-	-	509	420	661
Repairs & maintenance building	-	583	-	-	-	-	-	-	583	-	648
Software (non-capital)	3,866	-	-	619	-	2,130	-	-	6,615	18,490	9,200
	24,023	1,828	430	989	113	15,619	54	-	43,056	77,150	49,702
Operating											
Advertising	64,726	16,772	730	3,040	4,638	137	94	-	90,137	113,790	86,569
Association fees & dues	39,692	1,264	-	-	1,518	-	-	-	42,474	47,850	41,162
Bad debts	-	-	-	-	-	-	-	-	-	1,800	(34,401)
Financial services	11,836	-	-	-	-	-	-	-	11,836	9,920	8,934
In-service (includes PD)	50,062	50	-	1,250	4,657	1,327	2,795	-	60,141	61,550	44,791
Insurance	36,220	-	-	-	-	-	-	-	36,220	33,920	33,935
Materials & supplies	29,180	62,866	993	42,692	55,853	2,793	378	15	194,760	222,695	169,408
Postage, freight & courier	28,907	1,597	-	39	633	342	-	26	31,544	19,050	20,199
Printing & copying	42,755	63	-	575	256	395	31	-	44,075	52,475	34,910
Professional services	61,105	-	-	-	4,175	160	-	-	65,440	79,325	47,963
Resale items	-	134,757	4,201	-	2,468	-	-	-	141,426	192,095	146,634
Subscriptions	4,594	200	-	223	-	-	-	-	5,017	5,250	4,082
Telephone & fax	38,349	9,093	-	3,923	3,444	1,438	1,459	-	57,706	69,050	53,458
Travel	83,716	30,600	2,058	3,964	8,612	4,898	6,674	-	140,722	156,640	122,387
Other	6,621	10,852	-	9,420	4,445	-	-	65,337	96,675	24,225	47,075
	497,763	268,104	7,982	65,126	90,899	11,490	11,431	65,378	1,018,173	1,088,835	827,106
Personal Services											
Employee benefits	307,197	116,173	2,177	55,148	63,982	50,186	27,016	-	621,879	767,420	556,824
Honoraria	28,120	1,120	-	-	-	-	-	-	29,240	51,170	32,891
Salaries	1,602,793	813,949	22,481	465,041	423,380	580,829	145,075	-	4,053,548	4,205,055	3,883,127
Other	345	479	-	-	-	-	-	-	824	2,200	6,950
	1,938,455	931,721	24,658	520,189	487,362	631,015	172,091	-	4,705,491	5,025,845	4,479,792
Total Expenses	\$ 3,045,589	\$ 2,157,200	\$ 64,621	\$ 673,817	\$ 655,230	\$ 666,188	\$ 190,251	\$ 65,378	\$ 7,518,274	\$ 7,833,160	\$ 6,890,671

## Schedule 4

**Carlton Trail Regional College**  
**Schedule of General Expenses by Functional Area**  
**for the year ended June 30, 2014**

	2014 General Actual				2014	2014	2013
	Governance	Operating and Administration	Facilities and Equipment	Information Technology	Total General Actual	Total General Budget	Total General Actual
<b>Agency Contracts</b>							
Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instructors	-	-	-	-	-	-	1,190
							1,190
<b>Amortization</b>	-	-	377,015	-	377,015	395,000	357,541
<b>Equipment</b>							
Equipment (non-capital)	772	20,450	-	12,459	33,681	8,000	12,923
Rental	-	45,492	-	-	45,492	45,950	54,020
Repairs and maintenance	-	29,294	-	-	29,294	28,340	30,444
	772	95,236	-	12,459	108,467	82,290	97,387
<b>Facilities</b>							
Building supplies	-	-	543	7	550	1,250	1,188
Grounds	-	-	2,438	-	2,438	1,600	2,485
Janitorial	-	-	20,813	-	20,813	19,650	20,241
Rental	842	-	53,748	-	54,590	43,470	25,535
Repairs & maintenance building	-	-	19,312	23	19,335	10,970	32,302
Utilities	-	-	2,140	-	2,140	2,200	4,768
	842	-	98,994	30	99,866	79,140	86,519
<b>Information Technology</b>							
Computer services	-	3,821	-	5,707	9,528	5,000	17,247
Data communications	-	215	-	1,152	1,367	100	48
Equipment (non-capital)	-	1,281	-	4,276	5,557	1,250	5,928
Materials & supplies	-	1,199	-	1,997	3,196	1,400	3,747
Rental	-	509	-	-	509	420	661
Repairs & maintenance building	-	-	-	-	-	-	584
Software (non-capital)	-	613	-	3,253	3,866	8,450	8,309
	-	7,638	-	16,385	24,023	16,620	36,524
<b>Operating</b>							
Advertising	25,860	37,654	-	1,212	64,726	82,225	66,545
Association fees & dues	30,000	9,692	-	-	39,692	46,850	39,663
Bad debts	-	-	-	-	-	1,000	(34,401)
Financial services	-	11,836	-	-	11,836	9,920	8,918
In-service (includes PD)	12,499	37,045	-	518	50,062	45,900	39,572
Insurance	-	36,220	-	-	36,220	33,400	33,816
Materials & supplies	1,085	27,751	-	344	29,180	23,100	21,845
Postage, freight & courier	-	28,907	-	-	28,907	16,050	17,822
Printing & copying	208	42,500	-	47	42,755	41,700	33,994
Professional services	6,229	54,851	-	25	61,105	37,050	47,963
Resale items	-	-	-	-	-	-	-
Subscriptions	-	4,594	-	-	4,594	3,050	3,144
Telephone & fax	-	37,464	-	885	38,349	36,450	38,561
Travel	27,629	53,964	-	2,123	83,716	65,925	67,155
Other	796	5,825	-	-	6,621	7,050	8,213
	104,306	388,303	-	5,154	497,763	449,670	392,810
<b>Personal Services</b>							
Employee benefits	570	281,719	-	24,908	307,197	328,750	271,705
Honoraria	26,470	1,650	-	-	28,120	40,570	32,490
Salaries	-	1,463,978	-	138,815	1,602,793	1,538,335	1,489,122
Other	-	240	-	105	345	1,000	3,465
	27,040	1,747,587	-	163,828	1,938,455	1,908,655	1,796,782
<b>Total General Expenses</b>	\$ 132,960	\$ 2,238,764	\$ 476,009	\$ 197,856	\$ 3,045,589	\$ 2,931,375	\$ 2,768,753